

## Message Text

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PAGE 01 PEKING 01350 090220Z

62

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 NSCE-00 NSC-07 CIAE-00 DODE-00

PM-07 H-03 INR-11 L-03 NSAE-00 PA-04 RSC-01 PRS-01

SP-03 SS-20 USIA-15 AID-20 COME-00 EB-11 FRB-03

TRSE-00 XMB-07 OPIC-12 CIEP-03 LAB-06 SIL-01 OMB-01

SWF-02 ARA-16 AGR-20 DRC-01 /218 W  
----- 013203

R 090145Z AUG 74

FM USLO PEKING

TO SECSTATE WASHDC 2216

INFO AMEMBASSY BUCHAREST

AMCONSUL HONG KONG

AMEMBASSY BRAZILIA

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E.O. 11652: N/A

TAGS: ETRD, CH, RO

SUBJECT: PRC FOREIGN TRADE IN 1972; SINO-ROMANIA TRADE; PRC  
SHOPPING FOR FERROUS SCRAP

REF: PEKING 0523

1. IN THE COURSE OF AN AUGUST 6 CALL AT USLO, THE  
ROMANIAN COMMERCIAL COUNSELOR IN PEKING LEONIN VASILESCU SAID  
THAT THE CHINESE FOREIGN TRADE MINISTER, LI CHIANG, HAD  
TOLD HIM THAT THE PRC'S TOTAL FOREIGN TRADE IN 1973 WAS ABOUT US  
DOLS 10 BILLION. ACCORDING TO VASILESCU, LI WAS REFERRING TO  
CONTRACTS WHICH PROVIDED FOR 1973 DELIVERIES AND NOT TO ACTUAL  
DELIVERIES. LI DID NOT GIVE SEPARATE FIGURE FOR IMPORTS OR  
EXPORTS, NOR DID HE SAY ANYTHING ABOUT THE TRADE BALANCE. (COMMENT:  
IT IS MOST UNUSUAL FOR A CHINESE OFFICIAL TO GIVE A SPECIFIC FIGURE  
FOR CHINA'S FOREIGN TRADE, SINCE SUCH DATA ARE NOT MADE PUBLIC.  
THE FIGURE IS VERY CLOSE TO THE USG ESTIMATE OF ABOUT DOLS 9.5

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PAGE 02 PEKING 01350 090220Z

BILLION IN TURNOVER FOR 1973, AND THE DIFFERENCE MAY BE

PARTIALLY ATTRIBUTABLE TO THE FACT THAT CERTAIN LARGE SHIPMENTS OF AGRICULTURAL COMMODITIES FROM THE US, SCHEDULED FOR 1973 DELIVERY, SLIPPED INTO 1974.)

2. VASILESCU SAID HE ESTIMATES SINO-ROMANIAN TRADE THIS YEAR AT ABOUT US DOLS 240-250 MILLION. THIS WOULD MEAN AN INCREASE OF LESS THAN 13 PERCENT OVER THE DOLS 200 MILLION TOTAL IN 1973. HE ADDED THAT HE COULD NOT GIVE A FIRM ESTIMATE FOR 1974 BECAUSE SPECIFIC CONTRACTS UNDER THE OVERALL ANNUAL AGREEMENT ARE STILL UNDER NEGOTIATION. THESE NEGOTIATIONS, HE SAID, HAVE BECOME MORE DIFFICULT BECAUSE OF THE DECISION (REFTEL) BEGINNING THIS YEAR TO QUOTE INTERNATIONAL PRICES FOR ALL GOODS EXCHANGED.

3. VASILESCU DISAGREED WITH OUR SPECULATION THAT THE FAILURE TO USE INTERNATIONAL PRICES IN THE PAST HAD RESULTED IN AN UNDER-VALUATION OF SINO-ROMANIAN TRADE. SOME INTERNATIONAL MARKET PRICES, HE SAID, WERE HIGHER AND SOME LOWER THAN THE "STOPPED PRICES" USED IN PAST SINO-ROMANIAN AGREEMENTS; ON BALANCE HE DID NOT THINK THERE HAD BEEN ANY SIGNIFICANT UNDER-VALUATION.

4. IN REGARD TO CHINA'S LARGE PURCHASES (NOW HALTED) OF FERROUS SCRAP FROM THE US, VASILESCU SAID THE CHINESE RECENTLY HAD BEEN ACTIVELY SHOPPING FOR SCRAP IN EUROPE, NORTH AFRICA AND LATIN AMERICA, PARTICULARLY BRAZIL.  
BRUCE

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## Message Attributes

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